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CENTRAL INTELLIGENCE AGENCY
WASHINGTON 25, D. C.

24 July 1950

MEMORANDUM

SUBJECT: The Korean Situation

I. Military Situation.

North Korean forces appear to be building up additional strength while moving forward slowly in all sectors except in southwestern Korea, where unopposed Northern troops are sweeping rapidly toward Mokpo and Yosu. Preliminary reports indicate the presence of at least two new enemy divisions in combat, the Seventh and Eighth Infantry Divisions. It has not yet been established whether these units include Korean-Manchurian veterans of the CCF or are made up principally of recent, inexperienced draftees from North Korea and enemy-occupied sections of South Korea.

The enemy is driving rapidly over the undefended road net of southwestern Korea, and the boldness of the movement indicates that more than one division may be involved. An enemy force in regimental strength has occupied Kwangju, the communications center of the southwest. The invaders appear to have the capability of overrunning the entire southwest and moving from there through Chinan to flank Taegu, and thence along the southern coast road toward Pusan. In the western sector, where the enemy has reportedly massed 10,000 troops west of Taejon, the North Koreans advanced approximately seventeen miles beyond Taejon toward Yongdong. Enemy pressure against the US 25th Division sector to the east of Taejon is increasing, and further east the enemy Fifteenth Division has made small advances while troop and supply build-ups continue. On the east coast, the enemy has recaptured Yongdok and appears to have at least two regiments in this area threatening the US position at Pohang.

Planes of the US Seventh Fleet hit military targets in the Seoul-Kaesong area during the past 48 hours, and clearing weather permitted land-based aircraft to give maximum support to UN ground forces yesterday.

II. Other Developments.

Ambassador Miccio suggests that the thousands of refugees crowded into the remaining South Korean territory be kept hopeful and confident of the future by maintaining the normal economy and preparing to improve post-hostility living standards insofar as practicable without

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interfering with the military effort. Among the projects suggested are the establishment of technical training institutes for agriculture, fisheries, and mechanical fields.

A Kuomintang news agency reports without confirmation that Shin Ik Hi, Chairman of the South Korean National Assembly, has declared that the cause of the United Nations will be lost in Korea if South Korean forces are not allowed to drive across the 38th Parallel to unify Korea. Shin is also credited with stating that the National Assembly, which is scheduled to hold its first post-invasion session on Thursday, will try to bring this matter to the attention of the nations supporting South Korea. The news agency reports that of 210 official Assembly members, 158 evacuated Seoul and are available for the session, about ten defected, and the remaining 42 cannot be located. The South Korean Government reportedly announced on 23 July the issuance of new bank notes to prevent the North Koreans from flooding Southern-held territory with old-type currency made from plates left in Seoul where the Southern government hurriedly left the city.

R. H. HILLENKOTTER
Rear Admiral, USN
Director of Central
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